

**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)Website : [www.rbi.org.in](http://www.rbi.org.in)ई-मेल/email : [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

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**Operationalisation of Central Bank Digital Currency – Retail (e₹-R) Pilot**

The Reserve Bank announces the launch of the first pilot for retail digital Rupee (e₹-R) on December 01, 2022. It may be recalled that RBI had, in a [Press Release dated October 31, 2022](#), indicated that the pilot in e₹-R would commence in a month's time.

2. The pilot would cover select locations in closed user group (CUG) comprising participating customers and merchants. The e₹-R would be in the form of a digital token that represents legal tender. It would be issued in the same denominations that paper currency and coins are currently issued. It would be distributed through intermediaries, i.e., banks. Users will be able to transact with e₹-R through a digital wallet offered by the participating banks and stored on mobile phones / devices. Transactions can be both Person to Person (P2P) and Person to Merchant (P2M). Payments to merchants can be made using QR codes displayed at merchant locations. The e₹-R would offer features of physical cash like trust, safety and settlement finality. As in the case of cash, it will not earn any interest and can be converted to other forms of money, like deposits with banks.

3. The pilot will test the robustness of the entire process of digital rupee creation, distribution and retail usage in real time. Different features and applications of the e₹-R token and architecture will be tested in future pilots, based on the learnings from this pilot.

4. Eight banks have been identified for phase-wise participation in this pilot. The first phase will begin with four banks, viz., State Bank of India, ICICI Bank, Yes Bank and IDFC First Bank in four cities across the country. Four more banks, viz., Bank of Baroda, Union Bank of India, HDFC Bank and Kotak Mahindra Bank will join this pilot subsequently. The pilot would initially cover four cities, viz., Mumbai, New Delhi, Bengaluru and Bhubaneswar and later extend to Ahmedabad, Gangtok, Guwahati, Hyderabad, Indore, Kochi, Lucknow, Patna and Shimla. The scope of pilot may be expanded gradually to include more banks, users and locations as needed.